

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Belarus Plans Private Farm Development to Improve Trade Balance

Report Categories:

Agricultural Situation

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Report Highlights:

The Belarusian Government discussed the status and perspectives of private farm development on January 5, 2011.

Executive Summary:

The Belarusian Government discussed the status and perspectives of private farm development on January 5, 2011. The Government stressed at the meeting that private farming has big potential and should expand production of export-oriented and import substituting products with adequate state support. The Ministry of Agriculture plans to approve in the near future a program on development and support of private farms for 2011-2015 to stimulate production at private and household farms. A Presidential decree on the allocation of the state subsidized credits for farmers directed to production growth has also been drafted recently and will be approved soon.

General Information:**Minutes of the Meeting**

According to the information from the web-site of the Belarusian Government, a meeting devoted to the status and perspectives of private farm development was held at the Belarusian Ministry of Agriculture and Food on January 5, 2011. The meeting was attended by representatives of the Belarusian Parliament, Presidential Administration, ministries, agencies, public associations, and private farms.

Private Farming in Belarus

Currently there are over 2,000 private farms in Belarus. In total, since 1991, the country established more than 6,000 such farms of which 4,000 have gone out of business since then. The share of private farms in total production of major agricultural products remains low, less than 2.0 percent. They produce 0.2 percent of the country's total milk, 0.5 percent of meat, 1.3 percent of grains, 1.6 percent of potatoes, and 5.6 percent of vegetable production. Currently, the main specialization of private farms is crop production. Forty percent of them produce grain, 31 percent cultivate vegetables, mostly potatoes, and 5 percent of them grow fruit. Among the heads of farms, 36 percent have higher education, 43 percent have secondary specialized education, 19.4 percent have secondary education and 1.6 percent did not complete secondary education.

Private Farming Potential

The priority of private farm financing from the state budget could be production of fruits and berries, which are in big need in the country from the point of view of both quality and quantity. There is also a large potential in the field of crop production such as vegetable production, especially garlic, onion, and ornamental herbs. Livestock breeding also should attract attention of the domestic private farmers. The Ministry of Agriculture believes that private farmers should be oriented to efficient ways of raising rabbits, dairy goats, turkeys, and ostriches. Farmers should also pay attention to developing an appropriate niche in rural eco-tourism.

The Ministry official stressed that Belarusian agriculture is a solid provider of foreign currency for the country and added that private farms in Belarus should increase production of import-substituting and export-oriented products. Currently, private farms have real opportunities with adequate state support to expand production of such products.

Private Farming Development Plans

The Ministry recently approved directive #4 that would help to solve problems of private farmers, which are numerous. The directive will promote renting of vacant buildings and structures, simplify the procedure of renting land, make credit resources more affordable as well as improve will access to

agricultural markets. A Presidential decree on the allocation of the state subsidized credits for farmers directed to production growth has also been drafted recently and will be approved soon. It is assumed that these resources would be allocated for up to eight years at 1.5 percent annual interest rate.

The Ministry noted that it plans to approve in the near future a Program on Development and Support of Private Farms for 2011-2015 that will stimulate production growth at private and household farms. At the same time, the meeting participants underlined that it is necessary to develop a set of measures in Belarus to improve efficiency of private farming, social environment for villagers, training for farmers, and quality of farmland. More support should be provided for primary urban amenities, farm infrastructure development, and equipping them with modern techniques. Unused buildings, facilities, and equipment need to be actively transferred to farmers for further leasing.

Creation of a National Organization of Private Farmers

The Ministry is supportive of increasing cooperation among farmers and encourages creation of a national organization of private farmers to better address their problems. The Ministry recommended farmers to develop the organization's charter and to prepare all the necessary documents for it.

The complete press-release of the Belarus Ministry of agriculture in Russian can be read at the Ministry's web-site: http://government.gov.by/ru/rus_news05012011.html

Other relevant reports:

Gain report: Union State Agrees to Common Agricultural Policy

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Union%20State%20Agrees%20to%20Common%20Agricultural%20Policy_Moscow_Russian%20Federation_12-29-2010.pdf